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ABSTRACT

Based on the 1981 conference on policies for higher education of the Organisation for Economic Co-operation and Development, recent trends in higher education and prospects for the future are considered, along with approaches to guide the development of policies during the decade. The chief areas of concern are as follows: access to higher education and the implications of changes in student demand; the changing relationship between higher education and working life; new patterns of governance and authority and the issues of autonomy and participation; financing and redeployment of resources for maintaining the development; and the research capacity of higher education institutions. Specific topics include: admission policies, changing links between secondary and higher education, access to new groups and new forms of attendance, employment and recruitment prospects for college graduates, the relationships between overall supply of and demand for young college graduates, models of governance in different countries, pressures for change with respect to higher education governance, the education share in the country's national income or overall state budget, factors accounting for changes in the share of education in the national resources, the distribution of public expenditure by level of education, unit cost data as derived from aggregate expenditure and enrollment data, the reform of college studies and specifically the humanities and social sciences, ways that higher education can respond to a greater emphasis on working life, the effect of education policy and science/technology policy on research in higher education, and the way that funds for research are distributed. (SW)

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POLICIES FOR HIGHER EDUCATION IN THE 80s

Intergovernmental Conference

12th-14th October 1981

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Overview of issues and notes for discussion

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INTERGOVERNMENTAL CONFERENCE ON POLICIES FOR HIGHER EDUCATION IN THE 1980's

Overview of issues and notes for discussion

(Note by the Secretariat)

The attached document has been prepared by the Secretariat to serve as the main basis for discussions in plenary sessions and in working groups at the Intergovernmental Conference on Policies for Higher Education in the 1980's.

6496

TABLE OF CONTENTS

	Page
OVERVIEW OF ISSUES	1
THEME 1 : ACCESS TO HIGHER EDUCATION	20
THEME 2 : CHANGING RELATIONSHIPS BETWEEN HIGHER EDUCATION AND WORKING LIFE	39
THEME 3 : NEW PATTERNS OF AUTHORITY	55
THEME 4 : FINANCING AND REDEPLOYMENT OF RESOURCES	72
LIST OF MAIN DOCUMENTS	83

OVERVIEW OF ISSUES

I. INTRODUCTION

1. In most Member countries, policies for higher education are currently under substantial review. Motivations vary from country to country, according to national circumstances. Everywhere, however, an over-riding concern is how to sustain the dynamic evolution of the system, building on its past achievements, as an essential component of highly industrialised societies, their cultural, scientific and technological development and the welfare of their citizens. In many countries, this challenge comes up against the general climate of uncertainty which prevails about future demographic, social and economic prospects and is related to such problems as persisting slow economic growth, high rates of inflation and unemployment, reductions in public spending and new difficulties which arise in the pursuit of a variety of social objectives. While this situation affects the entire educational sector, it is in fact at the level of higher education that the impact is most pronounced and at the same time most difficult to pin down in precise terms.

2. The challenge is reinforced by significant changes in the expectations which are placed in higher education: (a) to respond to new needs at local and community levels; (b) to contribute to the revitalisation of the economies through the production of the "right" kinds of highly qualified manpower and the further training of the working force in the context of rapidly changing technologies; (c) to sustain adequate levels of technological innovation through research and

advances in scientific knowledge; (d) to sustain the move towards greater social equity, particularly at a time when economic difficulties hit hardest the disadvantaged groups. Having regard to the irreducible plurality and long-term nature of higher education objectives, there also is a real danger that responses to immediate pressures may not always be reconciled to longer term needs and considerations. In addition, any discussion of higher education policies has to recognise the diversity which prevails among Member countries both in terms of the structure of provision of higher education and of the functions which are assigned to different institutions within these structures as part of more global social and economic national policies and priorities.

3. Any such discussion has also to recognise that a number of problems facing higher education stem from its rapid expansion over the last two decades and the changes that this expansion brought about in the traditional objectives, orientations and structures of the system. New roles and functions have developed, either as a result of grass root pressures - resulting from individual or local initiatives - or through policy action. Not all systems have as yet been able to adjust to the inevitable confusion in the perception of roles and objectives which accompanied the transition from an elite to a mass system of higher eduction. The fact that many of the global reforms, formulated at a time of expansion and confidence in continuing growth, had to be implemented some years later in a quite different social context has rendered this transition even more difficult.

4. There is thus need for a minimum effort at policy clarification of the role of higher education in the 80s, both in terms of its internal dynamics as well as of the new challenges, pressures and constraints to which it will have to respond. This need is reinforced by the growing concern for accountability and relevance, among policy-makers as well as the public, as part of a more general concern affecting most social services. As a key sector of social policy, higher education is confronted with a new challenge of how to maintain its rightful place in the political debate about priorities and claims on public resources.

II. FACTORS AFFECTING FUTURE TRENDS IN HIGHER EDUCATION

5. Having regard to the wealth of purposes and functions of higher education in pluralist, advanced industrial societies, to the tensions and conflicting pressures that act on the system, the starting point for any discussion of future policies in this area is the identification and analysis of the key factors which are likely to influence the development of higher education over the foreseeable future. An attempt is made below to outline the most significant among these factors.

(i) Changes in social demand for higher education

6. After a period of steady growth in enrolments, a number of countries are witnessing a serious slowdown in the growth of the demand for higher education, and in some cases an actual decline in levels of participation, at least in certain sectors

of the system(1). Although this overall trend does not reflect the relative position of the various streams or institutions of higher education (some of which are experiencing increased competition for entry), there is growing concern among policy-makers and within the academic world about the significance of this change and its many implications. In addition to raising questions about some of the fundamental concepts on which the growth of higher education has been based, it also calls for a re-consideration of its role in some of its major social functions, for instance the search for equality of access among social groups: the greater risks which are now implied in the pursuit of higher education added to higher costs may have special adverse effects on low income students.

7. The picture, of course, varies from country to country, but it is interesting to note that stabilisation has set in countries with substantially different levels of participation, an unexpected development for many of those who, in the early 1970s, thought that countries with relatively low full-time enrolment rates would follow the example of those which had reached mass participation. Moreover, in many countries the decline in growth rates has taken place in spite of a steady growth in female enrolments. What some regard as a disturbing sign is the fact that in a number of Member countries there is a marked stabilisation or decline in the transfer rates from upper secondary education leavers,

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(1) See: a) Development of Higher Education in OECD countries since 1965 (SME/ET/79.21);
b) Quantitative trends in Post Compulsory Education in Access to Higher Education (Background Report by the Secretariat).

particularly to universities; although partly explained by reforms in admission policies, this is taken as further evidence of decreasing interest among youth for at least certain types of higher education. In these circumstances, it is often argued that if the viability of a number of higher education institutions is to be maintained, the main source for new recruits might be among non-traditional groups, particularly adults. This could in itself act as a catalyst for change, as the needs of such groups cannot be met through traditional programmes and institutions. In actual practice, many institutions have already found new and imaginative ways of drawing upon this new clientele, even though such initiatives remain basically institution-based rather than overall policy motivated.

8. A second subject of concern relates to demographic trends. The size of the traditional age group that will be reaching higher education in the coming fifteen years is known with a fairly high degree of accuracy. The majority of Member countries will witness a pronounced decline of this age group after 1985; in quite a number of them this will represent a sharpening of a decrease begun some years earlier; in others it will be in quite marked contrast with an increase taking place up to around 1985. The latter group will therefore have to cope with a short period of further growth (depending to a large extent on trends in transfer rates), knowing that is is likely to be followed by snarp contraction. How to deal with this 'peak' problem, in the context of present financial constraints, remains an important policy concern in many countries.

9. Some countries are already fairly advanced in their policies for providing higher education to non-traditional groups. However, on the whole, the

potential demand which these groups may represent is largely unknown and requires more thorough analysis. It is likely that wide differences will be noted in the future among countries, similar to those which arise from demographic trends and from such factors as the social or employment value of post-secondary education. A great deal will depend on broader changes that may take place in employment conditions, income policies and the redistribution of work and non-work time as well as on public policies to support recurrent education opportunities through paid educational leave, etc. In any case, two questions remain open: will this non-traditional demand compensate for the decline or slowdown in participation by young people? Will higher education be able to respond to the diversity of needs and interests that correspond to this potential new demand so as to attract and maintain this new clientele? This, to a large extent, will condition the priority given to higher education in the broader context of social as well as economic policies.

(ii) Employment prospects

10. Current discussions on the employment implications of the OECD growth scenario show that in most Member countries full employment will certainly not be attained in the near future; if anything, rates of unemployment will tend to grow, with, as a consequence, increased difficulties for young people. A first question which arises is what will be the relative position of higher education graduates on the labour market and how will this affect young people's attitude to higher education, particularly over the long term.

11. In most Member countries, graduates have enjoyed a relatively privileged situation so far. They may, therefore, be expected to suffer less in

the current employment crisis than other categories of workers: their risk of being unemployed is certainly lower and their range of options is wider than that of their less educated contemporaries. They may accept down-grading to less qualified occupations or take temporary jobs rather than being unemployed. Two major factors may have a severe impact on the employment prospects of young graduates, particularly women, in the years to come: (a) pressures on public expenditures are leading to restrictions in the development of employment, up to now the most important employment outlet for graduates in the public sector (interpreted to cover all those areas which depend directly or indirectly on state or community financing); (b) in most countries, stabilisation of school enrolments is progressively affecting the recruitment of teachers at all levels of the educational system, also a major employment outlet for this category of young people.

12. At least during the decade of the 1980s, employment prospects will very much depend on the willingness of young graduates to accept lower-level jobs in the public sector and, above all, on the absorptive capacity and recruitment/promotion policies of the private sector. Up till now, however, the growth of qualified jobs in the private sector seems to have been lagging behind that of the supply of highly educated people. Many young people will thus have to revise their career expectations and envisage new employment opportunities; this will result in a relative decline in the status of higher education graduates in society. Whereas many groups perceive this down-grading trend with concern, others, especially those in favour of decreasing the role of higher education in the social selection process, see in it a number of positive effects.

13. Views differ on the relative chances of higher education graduates entering intermediate level positions in the private sector. Some argue that employers increasingly require higher levels of education for the same level of jobs and use education as a screening device. Others, however, take the view that young graduates may not always have received the most appropriate preparation for entering these jobs and that they might be handicapped in the competition with adults on the internal labour market as well as with other categories of young people; they also argue that recruiting the highly educated into these jobs may create social conflicts within the firms. The latter view implies a high degree of differentiation among the various categories of graduates, some entering traditional graduate jobs, some at an intermediate level, others being rejected into low-skilled clerical or manual work or unemployment.

14. It is difficult to assess the impact of these structural trends on the future of higher education. They will definitely affect social demand but, as recent experience shows, not necessarily in a uniform way. A depressed labour market situation may stimulate demand for further education, even when private returns are poor, if the pursuit of studies is seen as a way of enhancing chances in the competition for better jobs or, in the last instance, as a preferable alternative to unemployment. It may also have a dissuasive effect on young people who see no point in continuing higher education studies if their employment outlets fall short of their expectations, particularly if they succeed in getting a job upon completion of secondary education. Perhaps the more significant impact will be on changes in patterns of attendance, particularly increased part-time study. Also, attitudes are very likely to

vary according to social origin; for example, some students from lower classes may be more hesitant to enrol in "high risk" options, i.e. with low employment value or uncertain outlets, or be increasingly dissuaded from applying for entry into strongly selective institutions.

15. Poor employment or career prospects may also foster a more consumption-oriented type of demand for higher education. Fewer work opportunities, longer periods of non-working time together with a decreased need for young people on the employment scene, may lead to increased participation by persons who will have more time for education or who will enrol primarily for reasons of personal fulfilment.

16. Finally, rising rates of youth unemployment may and do effectively serve to justify both expansion and restrictive policies at the higher education level. Expansion may be favoured as a means of decreasing, at least temporarily, pressures on the labour market and in comparison to unemployment benefits or job creation be considered a less costly way of coping with unemployment. Restrictive policies tend to be primarily justified if, within an overall youth employment policy, priority is given to other categories of young people and/or other forms of education and training.

17. In the final instance, it could be argued that the main dilemma from an economic or employment perspective, is not one of expansion versus restriction but of the qualitative changes which should be introduced within higher education, in terms of the content and structure of studies, methods of teaching and openness to the outside world, so as to contribute both to the technological development and structural adaptation in the

economies of OECD countries. This, of course, is a fundamental issue which goes well beyond employment considerations as such and on which the dynamic development of higher education will ultimately depend. It is also an issue where new policies cannot be effectively implemented except with the willing and active support of the institutions themselves.

(iii) Research and technology requirements

18. There seems little doubt that the economic crisis which the Members of OECD have faced over the past few years will continue at the top of the policy agenda for some years to come. Traditional methods of economic management are seemingly inadequate to combat the combination of inflation, unemployment, no growth, energy and raw materials shortages which the industrialised world currently faces. In many OECD countries traditional industries are now faced with a challenge from newly industrialising countries which they will be unable to meet in a competition based on price alone. On the assumption that no alternative to the high technology/industrialisation model of development has yet been accepted, there is growing agreement that a new economic strategy is required, and that within such a strategy, industrial innovation must have a major place. Innovation would be particularly directed towards those industries where the advanced OECD countries may find a secure base for exports and production in the new economic order. The strategy involves embracing the most advanced micro-electronic techniques in production and other areas of the economy (whilst recognising, and taking steps to mitigate, the social effects this will have). It also involves a major commitment to industrially-oriented, and industry-performed, basic and strategic research. New technological

opportunities must be sought, involving perhaps bio-technology and other technologies of general application (so-called 'generic technologies') for there is the possibility that from these may come wholly new job-producing industries.

19. This strategy will present major challenges to higher education systems, not least to their capacities in research. A major problem for higher education policy will be that of steering a middle ground between research of purely scientific interest on the one hand and research more relevant to short-term industrial interests on the other. New kinds of links between academic institutions and industry may be required to facilitate knowledge transfer. Such links could entail innovative approaches to research training: a new kind of partnership at post-graduate level in which responsibility for advanced training is shared.

20. These considerations raise the more general question of the place of research in higher education. In the recent past, increased enrolments and a variegated student population have led to more emphasis being placed on teaching rather than on the research function. At the same time, in quite a number of countries, universities are no longer the sole repositoires of fundamental research, especially that which involves very expensive equipment. This has meant significant changes in the role of many higher education institutions and in their internal climate as well as in the work and career development of academic staff. Given the place of research in the value system of the academic world, as well as in maintaining the vitality and relevance of the entire higher education system, a key question will be whether renewed emphasis on new forms of research to

suit the interests of all higher education institutions will be feasible and necessary during this period of contraction or whether research will continue to be the prerogative of a limited number of institutions, mostly universities. In considering these issues, account has to be taken of the traditional function of universities in providing a critique of social problems and objective analyses for their solution; and of the fact that the nature of these problems is changing, with increased concern for areas such as energy, environmental preoccupations, relations to third-world countries, etc., all of which call for more interdisciplinary approaches not always compatible with the traditional structure of disciplines in higher education institutions.

(iv) Financial and cost considerations

21. It is, of course, in terms of finance that the impact on higher education of the overall economic and social situation becomes most manifest. In most countries, a primary concern of governments under the prevailing economic conditions is to limit the level of public expenditure, particularly in those sectors of policy that are considered to be inflationary. In addition, within overall social policy, there will be growing competition for scarce resources, such sectors as health or income maintenance for example, receiving increased support at the expense of education. Other sectors of a pressing social nature, such as youth employment programmes and policies to facilitate the transition from school to work, may also be accorded more importance than higher education as an autonomous sector.

22. Inflation is an additional factor which is often cited as a cause for a gradual decrease in the level of public financing of higher education, which has traditionally been the major source of funding in most OECD countries. Even where it is possible for governments to increase annual expenditure in proportion to the general inflation index, to the extent that the cost structure of higher education is such that inflationary costs for higher education exceed those in the economy as a whole, the final result is an effective decrease of financing in real terms. A second important consideration derives from the fact that the level of financial support has been traditionally linked directly to enrolments. Whatever the merits of this practice - (and there are many who would argue in favour of a change in order to avoid its adverse effects on the funding of research, for example) - should enrolments decline it is not unreasonable to expect that there will be pressure on public authorities to reduce spending proportionately. This is essentially a question of political priorities and views that may be held in individual countries about the role of higher education in the pursuit of general social and economic objectives. It could well be argued that, in times of uncertainty about the future, education and culture remain a major resource which justifies 'over-investment'. The danger, therefore, would be that mechanistic cuts may have long-term consequences for the dynamism of the higher education system at a time when OECD economies look to their scientific and technological potential as their main source of maintaining their position in the new world order. They may also force many institutions to look elsewhere for supplementary funding, such as marketing teaching services to adult clientele or turning to industry as clients for their research

services. In many circumstances, this may be a desirable trend to be actively pursued so long as its possible detrimental effects on long-term academic objectives are obviated.

(v) Internal dynamics of higher education institutions and changing power structures

23. The development of higher education will not be conditioned solely by societal pressures and externally determined requirements like those indicated above. The nature and impact of internal forces at play within the higher education world itself will need to be more openly recognised. The particular history and traditions of higher education institutions, the problems resulting from rapid expansion, the interests of the different groups within the academic community are, in fact, key factors to be taken into account in any attempt to analyse the possible future development of this sector.

24. For the most part, these internal factors derive from traditional value structures and functions of higher education institutions, in particular from the most prestigious universities which set the pace and exert an influence throughout the system. The emphasis on fundamental research, the wish to preserve academic freedom and the autonomy of institutions, to maintain a distance from political pressures or immediate social concerns are indeed generally accepted as legitimate requirements for guaranteeing quality and permanence. Often, however, they are seen as being used by certain members of the academic community and professional groups to resist needed changes, adaptations and a greater diversity of higher education. Also, like many other bureaucratic organisations, higher education

institutions struggle to preserve self-serving functions that are important for maintaining their internal power structure as well as functions that reflect their influence on society at large, such as the monopoly of certification or their role in social selection.

25. Most economic and political analyses on the links between education and society tend to adopt the viewpoint that these internal forces are primarily conservative or defensive mechanisms as opposed to the progressive or innovative pressures stemming from different outside groups. Accepting that a substantial proportion of the academic staff tends to adopt a conservative stance on higher education issues, there is ample evidence not only of a diversity of viewpoints but also of changes and innovations initially opposed by large segments of society but which were successfully pushed through by higher education institutions. Furthermore, it is over-simplistic to assume that higher education institutions can and should adapt to all external requirements and expectations. There may be incompatibility or conflict among different external pressures, difficult to reconcile and therefore to ensure adequate and rapid responses; also, these pressures may reflect temporary or narrow interests which the educational sector must perhaps legitimately resist. It should not be forgotten that during the period of extraordinary educational expansion and rapid economic growth, these internal forces proved responsive, by providing a framework for the accommodation of vast new numbers favouring innovation and structural adaptation. The key question today is whether these same forces will be able to react positively to the forthcoming period of contraction and make their contribution to the positive adjustments called for by the new social and

economic context. Some rigidities, primarily stemming from the age structure and specialisation of the present teaching and research staff, may prove to be among the more difficult obstacles to overcome and will deserve particular attention. Changes in the attitudes of higher education staff and in the criteria for recruitment are particularly sensitive in this respect.

III. MAIN POLICY CONCERNS AND DILEMMAS

26. Under the sharpened impact of the factors outlined above, particularly those related to the economic and employment situation of Member countries, there are clear signs that in the period ahead, governments will be led to adopt more active roles and explicit policies in the development of higher education. A major concern of policy will be how to mediate between the pressures arising from these external factors (and also linked to the pursuit of broader policy objectives of social, economic and technological development) and those stemming from higher education institutions themselves, including the consequences of the rapid expansion of higher education in the past.

27. It is equally clear, however, that the way in which these policy concerns will be expressed will vary from country to country, so that generalisations are even more difficult now than they were in the past. Already during the Golden Age of education, when most pressures converged in fostering rapid growth, countries coped with the advent of mass

higher education in quite different ways(1). On the basis of the experience of the late 1970s and of the forecasts and policy statements which are now being made in the countries, it would be reasonable to argue that the coming decades will witness a far greater diversity among Member countries in the patterns of development of their higher education systems. Such positions will depend on: the stage of development of each system, particularly in terms of enrolment rates; the general image which prevails in countries with regard to higher education and its role in society; the politial weight of various types of criteria determining access policies in different countries; the degree of flexibility with which higher education systems themselves are endowed.

28. These differences will be fully aired during the discussion of the four specific themes in the Working Groups, viz.:

I. Access to Higher Education

II. Changing Links between Higher Education and Employment

III. New Patterns of Authority in Higher Education

IV. Financing and Redeployment of Resources.

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(1) Towards New Structures of Post-Secondary Education, OECD, Paris, 1971.

29. Cutting across these themes, a number of general issues common to all countries can be identified as a basis for a discussion on future policy directions in higher education. The following are proposed:

(i) Criteria used in determining higher education provision over the next two decades; relative priority assigned to higher education within global educational policies, particularly with regard to the allocation of resources.

(ii) In relation to the above, emphasis to be accorded to initial education and training of young people as against further education of adults.

(iii) Roles to be assigned to the various types of institutions or sectors of higher education in the implementation of the above policies.

(iv) In particular, the role envisaged for the University, with special reference to national views on the need to maintain academic excellence and research capacity.

(v) Specific policies designed to ensure the vitality and dynamism of higher education institutions under conditions of financial constraints and limited opportunities for staff development.

30. Discussion of the above questions will obviously need to be rooted in the realities of the present context and the policy preoccupations which prevail at the beginning of the eighties. At the same time it is advisable to keep open a number of options over the next decade so as to be able to respond flexibly to any major changes that may arise in the overall situation.

THEME 1: ACCESS TO HIGHER EDUCATION(1)

THE CONTEXT

1. Two general trends stand out in the above Overview in relation to the discussion of specific issues and themes in the area of Access to higher education. The first concerns the changes which have been taking place in social demand for higher education in terms of numbers, composition of the student body, patterns of attendance, distribution by type of institution, field of study, etc. Whereas in some Member countries, changes of this kind were already under way in the 1970s, many others expect, or plan for, substantial change in the 1980s and beyond. The second trend is the move from a "demand" to a "supply-oriented" approach in higher education policy. Governments are under greater pressure to monitor more closely the development of higher education and to formulate more precise and explicit guidelines for the future of the whole sector. In many cases this implies that educational policy-makers must assume a mediating role which endeavours to reconcile a number of often conflicting forces: the demand by individuals; the internal interests and claims for autonomy of higher education institutions; pressures stemming from different professional groups; broader national priorities as defined by governments.

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(1) For a more detailed review of trends and issues in this area see: "Access to Higher Education". Background Report by the Secretariat.

2. Over the past years, governments have been increasingly led to exercise this mediating role through measures taken in relation to access to higher education, a strategic area at the interface between supply and demand and one which frequently is more amenable to government action than other spheres of higher education.

3. While the situation varies from country to country, a number of factors can be identified behind the push for stronger government roles in the field of access. They also account for the fact that decisions concerning the overall intake of higher education and the way students are distributed among the various options have acquired far greater political significance than was the case in the past.

4. In the first place, it is clearly recognised that admission policies and practices in higher education influence not only the future development of this sector, but also other levels of education, particularly upper secondary and strategies for life-long or recurrent education. Secondly, there are new strains on the admission process as a result of the general trend to postpone selection in the educational system on the one hand and, on the other, the need to allocate scarce resources at the higher levels in ways which are both equitable and efficient. Thirdly, there is in many countries growing questionning of the policy of adapting the supply of places at the tertiary level merely to the needs and wishes of certain categories of school

leavers(1). Finally, growing pressures to account for decisions taken in the selection process, particularly in view of greater competition for places, have led to the requirement that admission policies and criteria be formulated in more explicit terms.

5. For a meaningful discussion of the policy questions involved, it is essential that access to higher education be viewed in a broad perspective, in particular: (a) as one stage of a much longer process involving the orientation, selection and distribution of students before entry, i.e. essentially during secondary schooling, as well as after entry, i.e. in the course of higher education studies; (b) as it relates to the total network of higher education institutions and also to those non-formal types of education and training provision which fulfil similar functions; (c) in terms of formal regulations and criteria for admission as well as of the actual behaviour and strategies of the individuals in response to these regulations; (d) as encompassing a wide range of policy instruments, including admission regulations and practices, student financing schemes, information and guidance

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(1) It is interesting to note that in Sweden this was an essential consideration behind the reforms of the early 1970s aimed at increasing adult participation. By now this country faces the opposite problem, namely that of having to design an admission system which at least partially redresses the balance in favour of young qualified school leavers.

services, designed to avoid serious imbalance between supply and demand in the context of the priorities set in each national context, such as equity, efficiency or employment considerations.

THE ISSUES

6. Discussion of specific issues in the area of access to higher education could be organised under five broad headings:

I. Principles for quantitative planning of higher education.

II. Admission policies and the institutional framework.

III. Changing links between secondary and higher education.

IV. Access of new groups and new forms of attendance.

V. Co-ordinating admission and financing policies.

I. PRINCIPLES FOR THE QUANTITATIVE PLANNING OF HIGHER EDUCATION

7. Discussion could focus on the political rather than the technical aspects of the planning process, i.e. on the assumptions underlying forecasts of the quantitative development of higher education, targets and priorities set in normative plans.

8. How governments determine the total demand for various types of higher education continues to be a crucial planning question. However, as new parameters acquire importance in the planning process and governments have to redefine priorities, a useful starting point for the discussion would be how policy-makers determine the extent to which this demand can and/or should be met and under what conditions. Central to this discussion are the methods and criteria by which different countries:

(a) assess the overall quantitative evolution of their higher education systems and estimate its resource implications;

(b) have established normative targets for the future growth of their higher education systems and how these relate to estimates of demand;

(c) take steps to either restrain or encourage demand or to channel it into directions which correspond to overall national priorities;

(d) cope with suddent fluctuations in demand, under conditions of excess as well as of sharp drop in the number of applicants.

In dealing with all the above questions, it is important that reference be made to the various categories of demand as defined and being considered in the planning process in individual countries.

II. ADMISSION POLICIES AND THE INSTITUTIONAL FRAMEWORK(1)

9. It is frequently claimed that with shrinking college age groups and a certain stabilisation in participation rates the issue of selection and problems of access in general will be less acute and politically sensitive in the 1980s than they have been in the past two decades.

10. It is suggested here that even in countries which foresee a decline in enrolments or where total demand for higher eduction is expected to be met, access will remain an area of tension and social conflict and therefore of strong political interest. This is so because competition for entry into certain sectors of higher education is likely to increase so that problems of reallocation and selection of students will persist. Also, as has been the case for some time in the United States, the central policy issues in European countries will relate less to how many enter higher education than to who enters what type of institution or programme. The question of who enters and the role of admission regulations and practices in shaping, monitoring and controling demand will be discussed under headings III and IV. Here it is suggested to look at admission regulations primarily in relation to supply policies, that is, both in terms of how they reflect and how they contribute to the pursuit of broader policies concerning the overall structure of higher education provision.

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(1) See Background Report by the Secretariat, op. cit., Chapters II and III.

11. In this context, the following specific considerations will determine the ways by which access is regulated in different countries:

(a) Whether the aim or policy is to develop "closed", "open" or "mixed" systems of higher education. In the case of rather "closed" higher education systems, limits or targets are set in terms of their overall capacity, and generalised numerus clausus may exist when demand exceeds supply. Educational policy in Denmark(1), Finland(2), Greece, Sweden, Turkey goes in this direction. The degree of selectivity of this type of system can vary considerably depending to a large extent on how the targets or limits of supply are set in relation to estimates on demand; in "open" higher education systems, free access is guaranteed to all candidates with formal qualifications [e.g. Austria, Switzerland, Italy(3)]. Here again, there are variations primarily due to the extent to which selection takes place before or after entry into higher education; in "mixed" type of higher

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(1) See contribution from Denmark.

(2) See contribution from Finland.

(3) See contribution from Italy.

education systems closed and open access institutions or programmes co-exist. The majority of Member countries adhere to this model, differences depending on the size and characteristics of the selective sector, the type of institutions or programmes which represent the open or elastic segment of higher education, etc.

(b) Whether a policy of equality among similar types of higher education institutions or programmes is advocated (e.g. Sweden, Germany) or whether hierarchies are allowed to develop (e.g. France, United Kingdom, United States). In the past this question was mainly discussed in relation to the prestige gap between the university and the non-university sector. After years of expansion, an equally important policy issue is whether, and under what conditions, competition and prestige differences within each sector, i.e. universities, should exist. Of special interest and concern is the growing prestige gap between fields of study which appears to be developing in quite a number of Member countries, mainly as a result of the current employment situation but in certain cases, also reinforced by admission policies.

(c) Whether there is support for a comprehensive model of higher education which attempts to integrate short cycle and long cycle higher education courses within a single institution (diversification within institutions) or whether binary type policies (diversification among institutions) are favoured. Particularly in the case of the binary model, adopted with variations by most Member countries, a key policy question relates to the transfer of students in the course of their studies, this also involving greater co-ordination and making institutions or programmes more accessible at different stages beyond entry(1).

(d) On viewpoints and policies concerning the access of adults to higher education and the degree of integration of initial and recurrent education. Whether the emphasis on greater adult participation in higher education is understood as facilitating access of mature people to most colleges and universities, (e.g. Sweden, United States); to particular programmes or institutions (e.g. further education in the United Kingdom, certain university programmes

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(1) See contribution from Japan. Also in the United Kingdom, various types of credit transfer schemes are being developed.

in France, Italy); to specially created non-traditional institutions (e.g. Open Univertities in the United Kingdom, Germany, the Netherlands, Japan). Also, whether emphasis will be on allowing or encouraging adults to enrol in main-stream courses, or in separate study schemes within established institutions (e.g. extra mural courses, continuing education centres).

(e) On policies vis-à-vis the "weaker" or less attractive institutions or programmes of higher education which in the recent past have suffered most from the employment situation and slackening demand and are likely to constitute the vulnerable sector in the years to come.

12. Problems related to access to post-graduate education also merit discussion, particularly as governments are likely to assume growing responsibilities in this area. Of particular concern is the future of research-oriented studies which, in many Member countries, face the prospect of severe budgetary cuts and corresponding reductions in the number of post-graduate students, particularly in certain disciplines. It is, however, an open question whether limitations in the student intake will lead to enhanced competition for entry and to improving or maintaining the quality of the student body. Indeed, given the lack of financial support and of attractive career prospects, talented under-graduates may move away from research options. As shown by the Swedish

experience, another problem which may arise is that as more and more students enter universities without intention of obtaining a first degree, the pool of qualified candidates for graduate courses may decrease considerably.

III. CHANGING LINKS BETWEEN SECONDARY AND HIGHER EDUCATION(1)

13. The discussion could usefully focus on policy questions concerning the access of traditional students, i.e. young qualified school leavers who apply to higher education institutions immediately after completing upper secondary education.

14. Many of the present difficulties in organising a smooth transition from secondary to higher education are due to the growing autonomy, often divergence, in the patterns of development of these two sectors over the past years. Differences in growth rates, recent drops in transfer rates, in particular from academic lines of study to universities and, in some countries, the increased participation of adults in higher education, are among the symptoms or causes of this trend. Policy statements and reform proposals in a number of countries seem to point to a further uncoupling in the development of these levels in the coming decade, in particular between the traditional academic-oriented lines of study and universities. A major challenge in the next years, therefore, will be

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(1) See Background Report by the Secretariat, op. cit., Chapters III and IV..

that of ensuring a type of articulation between upper secondary and higher education which implies recognition of their common values, but also of their distinctive functions and objectives(1). Although responsibilities are shared, given the hierarchical power structure of educational systems, decisions taken within higher education notably those pertaining to access, are likely to have a significant impact on the possibilities for such mutual adaptation.

15. Against this background, a set of questions and alternative policy options could be discussed: what should be the role of upper secondary education in the admission selection process for higher education? Can and should completion of secondary studies be dissociated from the concept of qualification (or even the right) to enter higher education? Should grades or other indicators of past performance be maintained as the unique or dominant criteria in the selection process? What are the advantages and drawbacks of the various meritocratic type procedures currently being used? What weight could be given to other methods and criteria in determining entry, e.g. subjective indicators as motivation, initiative or other personal characteristics; work experience; socio-demographic characteristics of students; etc.? In particular, what lessons can be drawn from recent experience in Member countries with admission schemes aimed at reducing group disparities, i.e. quotas, affirmative action(2)? In countries where criticisms are voiced

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(1) The contribution from Japan assigns great importance to this problem.

(2) One of the contributions from Norway refers to the policies and specific measures designed to increase the participation of women.

vis-à-vis the "quality" of secondary school leavers what evidence is provided to substantiate the decline and what solutions are being proposed? What are considered to be the benefits as well as the problems of having a more diversified student body, not only in terms of age but with respect to school background? What are the policies vis-à-vis provision of remedial education in higher education institutions? What have been the most successful schemes initiated by higher education institutions aimed at the guidance and information of secondary school pupils before they have to make their choice of studies?

IV. ACCESS OF NEW GROUPS AND NEW FORMS OF ATTENDANCE(1)

16. In spite of the rising interest in recurrent education schemes and the number of formal policy statements in favour of greater adult participation in higher education, the proportion of adults enrolled at the tertiary level grew very slowly throughout the 1970s and remains practically nil in the more selective universities and fields of study. Significant exceptions are Sweden, the United States and, to a lesser extent, Australia, Canada and the United Kingdom.

17. There exist, however, considerable prospects that the pace of change may accelerate in the coming decade. Whereas in the past pressures to increase adult participation stemmed primarily from groups

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(1) See Background Report by the Secretariat, op. cit., Chapter V.

outside the educational system, by now a growing number of higher education institutions are taking initiatives in this direction, not least because catering for a new clientele is seen as a way of compensating for slackening demand from the traditional college age group. The question which arises for such institutions is not merely one of coping with a different clientele, but increasingly that of carrying through a dynamic policy aimed at attracting new groups. The development of a "marketing approach" to higher education which is observed in some countries, notably in the United States, is a clear indication of this trend. The problems which it gives rise to in terms of maintaining entry standards and fair practices, already anticipate some of the issues likely to be more generally confronted in the future.

18. The terms "adults", "new groups" or "non-traditional students" encompass a large, vague and diverse universe; a more precise categorisation is needed to facilitate policy discussion. Among candidates entering mainstream studies, awarding credits and/or leading to formal qualifications, at least four groups could be considered(1). In all four groups, the crucial problem of women calls for special attention.

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(1) The contribution from Australia on mature age students suggests a different classification which could be taken into account for the discussions: (i) recyclers; (ii) deferrers; (iii) early school leavers.

19. The first group, typically found in European countries with streamed secondary education, includes young people having completed various types of terminal vocational studies which traditionally did not qualify for higher education. The general direction of reform is to maintain the terminal professional nature of these programmes while granting leavers the possibility of qualifying for higher education with or without additional requirements. A central question is whether to reform admission regulations in order to accelerate the participation of this type of school leavers or to encourage candidates to qualify for entry on the basis of work experience some years later(1).

20. The second group is that of mature students who did not have the formal secondary school qualifications for entry into higher education. Problems to be discussed relate to the type of outreach and support services likely to increase the chances of entry and success of these groups; of identifying and implementing adequate criteria for admission/selection purposes with due consideration to age, sex, work experience and background of candidates; of evaluating existing schemes in different countries, in particular in the light of subsequent performance, of the advantages and drawbacks for these groups as well as for the traditional students resulting from the greater diversity of the student body.

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(1) The contribution from Finland focuses precisely on measures aimed at enlarging the access route from technical institutes to higher education.

21. The third group is that of young people who meet the formal requirements for entry, but who are non-traditional students in the sense that they combine, in a variety of ways, education and work (defined in a broad sense), e.g. postponing entry after a period in employment, alternating between periods of studies and work, combining the two simultaneously, etc. The proportion of young people who choose these various patterns of studies has increased steadily over the past years to the extent that in a number of programmes, they constitute the norm rather than the exception. The characteristics and implications of this gradual and largely unplanned development deserve special consideration in view of the fact that it essentially reflects the variety of individual responses - whether or not supported by government policy - to the problems posed by the transition from education to work. It could be argued that in the future some of the more significant changes in higher education will result not only or primarily from the presence of new groups but rather from the traditional young clientele likely to seek new forms of participation.

22. The fourth, and more heterogeneous, group includes various categories of adults who want to pursue post-secondary studies a few or many years after having completed their secondary education. With rising levels of educational attainment and changing life styles, this group could grow quite rapidly in the coming decades. In terms of access and selection, a first question relates to the weight to be given to their work or life experience in relation to their formal school qualifications; also, in the case of highly selective institutions, what policies should be adopted when they compete with young qualified school leavers without work experience.

In this context, the discussion could also deal with some of the problems likely to confront higher education institutions as a result of the substantial increase in the participation of new groups and the main changes which may take place. First of all, issues and policy questions will vary considerably depending on whether adults represent 5 per cent, 25 per cent or 50 per cent of the total student body in a programme. Secondly there may be a growing proportion of students who enrol in higher education without the intention - at least in the short term - of completing a degree. The existence of the "single" courses in Sweden and their impact on the total system of higher education is a significant example(1). As important as changes in the content of curricula and organisation of studies will be the pressures on higher education institutions to develop new delivery systems, i.e. new ways and means of teaching and of disseminating information(2).

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(1) For more details, see the contribution from Sweden.

(2) The contribution from the Province of Alberta, Canada, stresses the need for innovations in curricula and delivery systems in order to meet the demand of new groups.

V. FINANCING POLICIES AND INSTRUMENTS(1)

23. In the general context of growing involvement on the part of governments in monitoring the development of higher education, financing policies and instruments acquire a particularly strategic role. There has, of course, always been a close relationship between financing policies and admission policies. In view, however, of the wide range of objectives that such policies serve, particularly the need to reconcile efficiency and equity objectives, it is hardly surprising that admission policies and financing mechanisms often do not seem to have been well co-ordinated.

24. One clear illustration of this lack of consistency can be seen in changes in admission criteria which have been occurring in a number of Member countries to encourage participation of adults, while frequently student aid rules are still framed to suit the traditional student, entering straight from school. Similarly, the general trend in the past few years to reduce selectivity in secondary education has not been matched by increases in financial aid to secondary school pupils to prevent drop-out of low-income students. There are also difficulties arising from disagreement about what the objectives mean: for example, does equity require that access is made more equal, or that the distribution of costs is more closely related to benefits?

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(1) See Background Report by the Secretariat, op. cit., Chapter VI.

25. Be that as it may, there are today, under the impact of financial constraints, many signs that governments are becoming more aware of the way financing policies and admission policies must be viewed together. Questions such as whether government subsidies should be given to students or institutions, whether students should receive grants or loans, or whether fees or fee differentials should be abolished or increased are seen more and more as directly linked with questions about selection procedures, the use of quotas in determining admissions, pass rates in final examinations or the need for a probationary year at the start of higher education. It can be assumed that pressures to make these relationships more explicit will grow in the future, both within governments and the public as well as the students themselves (in certain countries the courts are already active in this field) and that there will therefore be the need for more careful analysis of how they operate as regulating mechanisms on both the supply and the demand sides of higher education.

26. It can also be assumed that the majority of OECD countries will wish to maintain public financing as the major source of funding higher education and that the rate of growth of such funding will see an actual decline. In these circumstances, one question which arises is: how can student-aid policies be adjusted to respond to changes in the composition of enrolments, more adults and part-time students and in relation to such new developments as paid educational leave? In connection with this last question, it is an open, and politically delicate, issue whether, as non-work and leisure time increase, adults wishing to use this opportunity for indulging in educational activities could not be encouraged to do so in ways which bring new resources into higher education.

THEME 2: THE CHANGING RELATIONSHIPS BETWEEN HIGHER EDUCATION AND WORKING LIFE

THE CONTEXT

1. Possible implications of the changing employment situation on the future development of higher education have been outlined in the Overview paper. This Overview has drawn particular attention to two main features of the situation of young graduates(1): (a) an increasing number of graduates will in future have to seek employment in non-traditional, lower level jobs; (b) the sharp decline in the recruitment into the public services and teaching would mean that most young graduates would need to find employment in the private sector. Both of these facts will represent a major challenge for higher education, particularly in those countries which have not reached the stage of a mass system of higher education. In response to the question of whether such changes will affect the overall demand for higher education, the argument put forward was that shifts in demand were more likely than a decline in enrolments. It was also suggested that the main dilemma is perhaps not one of expansion versus contraction, but of a new balance and qualitative changes which would need to be introduced within higher education.

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(1) See "Employment prospects for higher education graduates". Background Report by the Secretariat.

2. The range of problems that have to be considered under the theme of "the changing relationships between higher education and working life", is, of course, much broader than those relating to the employment prospects for young graduates. They include such issues as:

- the contribution of higher education to scientific and technological development, particularly the role it can play in the development of innovative industrial strategies;
- the response of higher education to new community needs and the further training needs of adults faced with technological change;
- the strengthening of the liaison and co-operation between higher education institutions and the world of work in matters of teaching and applied research in order to improve the relevance of the studies to employment;
- the overall planning of the future development of higher education, to take better into account changes in patterns of employment and working life.

3. In the past, under conditions of growth, developments in the above areas were easy to discern. They arose as a result of policy action and partly grass-root initiatives. Growth made experimentation possible and this facilitated change and innovation. This is no longer the case and there is uncertainty,

even divergences, about what may or should happen over the eighties. If one considers that the period ahead will be one not only of changes in employment and working life, but also of financial stringency, there is serious danger that it might be viewed as a period of contraction and decreased innovation. It should also be considered, however, as a period of needed shifts in emphasis and of changing priorities, which may be seen as responding both to temporary conditions, but also to longer-term needs, particularly those arising from the structural changes which OECD economies and societies are undergoing. A main purpose of the discussion could be to identify possible directions for such positive developments.

4. Such discussions would need of course to take account of differences among countries, these depending on the stage of development of their education systems and on national perceptions of the role and place of higher education in society. Such differences will determine the way in which individual countries perceive the issue of the changing relationships between higher education and the world of work, an issue which, in all countries during the eighties, will receive increased attention from both policy makers and higher education institutions. How will the issue be interpreted and reflected in terms of policy and the operation of institutions? Will such a re-orientation contribute to the pursuit of the broader and longer-term objectives of higher education?

ASPECTS AND DIMENSIONS OF THE PROBLEM

5. Given this diversity and current developments in national policies, it seems that the following aspects and dimensions of the problem could provide a basis for a meaningful discussion:

(i) employment as a parameter in the overall planning of higher education - the initial education and training of young people as well as the further education of adults;

(ii) the employment relevance of higher education studies and the response to social needs - an area where emphasis will be placed on the reform of studies and their structure, but also on the implications for higher education of developments in working life, particularly its response to new patterns of participation and the needs of adults already in employment;

(iii) the development of a new partnership between higher education and the world of work - including initiatives that may be taken by the institutions to develop closer contacts with the realities of working life, but also the contribution which the world of work, including the social partners, could make in order to enhance such a co-operation.

6. Each of these aspects is briefly discussed below. The overall implications of these considerations for the development of higher education will be taken up as part of the general discussion raised in the Overview.

I. EMPLOYMENT AND THE OVERALL PLANNING OF THE SYSTEM

7. The first question is whether the vocational dimension of higher education should be further strengthened. Over the past decades, possibly in line with its expansion, there have already been signs of a move towards a more instrumental view of the role of higher education in society. Some consider it to be the normal role of any social institution. In many countries, however, emphasis on its cultural and social objectives continues to prevail while others may fear increased credentialism within the world of work. Other arguments are also put forward: higher education is considered as a preferable alternative to unemployment; the less vocational and less costly courses have acted as safety valves for variations in demand; and, spending some time in higher education is a smooth way for individuals to adjust their aspirations to the realities of the world of work. Possibly the right approach to the problem is to look at the changing nature of the vocational dimension of higher education.

8. What would this mean in terms of overall planning of the system? The background report by the Secretariat, which restricts itself to an analysis of the employment prospects for young graduates, suggests that, in many countries, the gap between the education and training received and the employment possibilities might, for a large number of these graduates, further widen. Whilst in some countries,

such as Japan(1) and the United States, such imbalances seem to have been absorbed, in other countries the size of the gap and the numbers affected may become a subject of concern(2). Possibly a laissez-faire policy could be the most effective response to such changes, particularly in countries where the private costs of higher education are high. In some countries, like Italy(3), however, such policies may lead to decreased participation, more dropping out, increased employment difficulties, and, therefore, a waste in human resources and public money. Taking into account the above considerations, governments may, therefore, be led to seek more interventionist and more positive policies.

9. Besides action upon the organisation and content of studies themselves, which will be considered below, such policies could take the following directions:

(i) Steering individual demand for higher education, with a view to guiding students towards more occupationally relevant courses. This may imply restrictive measures concerning access to studies with poor employment prospects, or increases in the private

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(1) "Employment prospects for higher education graduates: The Case of Japan". Report by the Secretariat.

(2) "Employment prospects for higher education graduates" Background Report by the Secretariat.

(3) See contribution from Italy.

cost of studies. The relative importance given to the development of the university and non-university sectors of higher education is a key element of such a policy. Another possibility would be to develop in a more systematic way, information and guidance policies and measures to motivate students for courses with better outlets.

(ii) Encouraging institutions to be more sensitive to employment/working problems and to give priority to those courses that respond to the requirements of working life. This may often take the form of selective financial incentives, but may also affect the formal recognition of institutions and grades by the state or collective agreements.

(iii) Developing new forms of higher education, particularly for adults who have to adapt and contribute to technological change. This may involve facilitating new patterns of participation for students already in employment, but also the development of innovative courses such as single or non-degree courses, or new types of training, in concertation with the social partners, that would represent alternatives to more traditional forms of higher education.

10. Emphasis will certainly differ between countries, according to their past experience, the degree of government influence over institutions and the political commitment to change. Given budgetary

constraints, it will also differ according to the type of courses considered and their cost. A distinction between courses providing marketable professional education, those providing competences that may be used in a variety of occupations and general education as done in Italy, the United Kingdom and Japan, can be helpful in this respect. Of particular concern in this discussion will be the place of the traditional university and of some of its departments, such as the humanities and the social sciences; some countries might pay particular attention to their cost as it compares to those of shorter, more vocational courses, or to other, less traditional types of training. Strengthening the vocational dimension of higher education will certainly imply an increase in its costs. Some countries may also express special concern for the situation of post-graduate studies and their potential for research and technological development. Demographic trends may be in many countries an important element of policy choices, if problems are seen as transitional in nature.

II. ENHANCING THE EMPLOYMENT RELEVANCE OF STUDIES AND THE RESPONSE TO SOCIAL NEEDS

11. Enhancing the relevance of higher education studies: is the issue itself relevant? Many would argue that higher education has its own objectives, and that the fortunes of its various disciplines should not be affected by fluctuations in employment. On the other hand, others might consider that the very growth of higher education systems has led to an over-emphasis on the type of knowledge traditionally imparted by its institutions, at the expense of other, equally respectable, traditions of knowledge.

12. In addition, relevance can be viewed in a variety of perspectives, particularly as regards the initial education and training of young people. In the first place, countries have very different perceptions and traditions of what higher education is. One can mention the British view of the trained mind or the German emphasis on the pursuit of pure knowledge; some countries place emphasis on the cultural, others on the professional objectives of higher education. Secondly, a number of criticisms have been voiced, e.g. in Norway, about the growing role of higher education as a screening device for the allocation of roles in society: the formal qualifications required are sometimes irrelevant, in the sense that they do not correspond to the actual competences needed for a given job. The view of employers on the required profile of candidates may widely differ: some place emphasis on a general level of ability, others on specialised competences. Finally, to the extent that general competences used in working life and outside are different, the increasing weight of leisure and non-work time in the life of individuals has to be considered when defining the relevance of higher education. The problem of improving the social and employment relevance of studies is, therefore, far more complex than the improvements or adjustments that seem to have been considered so far.

13. In addition to the now rather traditional criticisms of over-specialisation, isolation or the academic drift of higher education studies, the relevance issue takes on renewed importance and a broader dimension in view of decreased employment outlets, in particular in the public services and education, and in view of the needs of adults facing technological change. Special pressure might be put on particular institutions or disciplines, although

it may rightly be argued that it is difficult to speak of vocational relevance for certain types of education that serve a wide range of interests and purposes. Where the general aim is to develop activities that are more relevant to working life, the following orientations might be considered:

(i) Placing more emphasis on technology and applied subjects, a trend that is already noted in government policies(1) and in student demand, but that may have to be accelerated. This may imply changes within departments, major reforms in the overall orientation of studies and efforts to motivate young students to enter such fields.

(ii) Re-examining the content and structure of studies, with a view to avoiding the situation where substantial numbers of graduates leave the system with little usable competence. Such reforms should aim at giving the studies a more practical orientation and making them more accessible to adult students. In addition, the integration of general and vocational studies should be encouraged, rather than the substitution of one for the other(2).

(iii) Encouraging more flexible ways of participation in higher education, not only in order to ensure more considered

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(1) See contribution from Ireland.

(2) See "The reform of studies in higher education". Background Report by the Secretariat.

choice of subjects and better motivation among students; but also to facilitate a mutual enrichment both of work experience and higher education studies and encourage a two-way adaptation process, through the development of new combinations of work and study or recurrent education.

14. The case of the humanities and social sciences calls for particular attention. The country reports and general synthesis(1) which have been prepared for the Conference on this subject, point to the growing role which these disciplines will be called upon to play, particularly as part of broadly based initial higher education courses of studies - all the more necessary in order to maintain a healthy balance with highly specialised courses, especially in technologically based degrees. Their essential role in developing perceptive, as opposed to purely thinking and analytical capabilities, is increasingly recognised both within higher education itself and in the evolution of job functions in all branches of economic activity. Some countries, such as Japan, clearly place special emphasis on the general education of young graduates.

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(1) See "The reform of studies in higher education". Background Report by the Secretariat and the contributions from Denmark, Germany, Sweden and the United Kingdom.

III. NEW PARTNERSHIPS BETWEEN HIGHER EDUCATION AND THE OUTSIDE WORLD

15. The moves suggested above, whether they refer to the overall planning of the system or the relevance of higher education, would already represent an effort by the system or its institutions to better respond to broader social needs. It would also be necessary to establish closer relationships with the world of work, particularly if higher education is to shift its emphasis towards the concerns of the private sector.

16. The recent CERI Conference on Higher Education and the Community has illustrated and documented the development of such new partnerships and interactions. This Conference placed special emphasis on the service function of higher education institutions. It is to be understood that the main services that higher education renders to the community are its traditional roles of teaching and research. In addition to these, however, a number of innovative activities are being undertaken to meet demands mainly expressed at the regional or local level. The service function has always been, implicitly or explicitly, one of the functions of higher education, particularly in systems of mass higher education such as in the United States; it now tends to receive increased emphasis in all systems.

17. Since these activities are launched mainly to respond to regional interests and through local initiatives, one may well expect a wide diversity of perceptions and achievements. There are strong arguments in favour of such developments. They tend to build up closer links between higher education and community life, and this in turn may improve the

image of higher education in society. When focussed on concrete problems of special interest to a region or sector of economic activity they help break the isolation of institutions. This in turn may improve their teaching activities, often accused of being abstract or academic. Moreover, service to local community may bring additional resources to the institutions. Such criticism as is voiced derives from the fear in certain quarters that higher education institutions tend to lose their autonomy if they engage in activities that are not directly related to their traditional roles. In particular, emphasis on applied or problem-centred research may well be at the expense of their commitment to fundamental or basic research. The dispersion of efforts that it may imply could also be criticised on other grounds: such grass-root initiatives may appear to some as lacking in coherence and needing a degree of overall control. In fact, the accountability issue, especially in periods of financial stringency, may well give room to opposing arguments.

18. It would be surprising if such a powerful trend would not persist over the eighties, in particular in view of financial constraints. The conclusions of the CERI Conference gave detailed indications on future prospects, particularly in two main orientations:

(i) more involvement of higher education institutions in applied or problem-centred research in co-operation with or for the benefit of public or private enterprises; this could also take the form of consultancy services, e.g. to smaller firms, for instance to facilitate transfers of technology;

(ii) more participation in analysis and research activities to solve problems of interest to the local or regional community, and possibly actual participation in the implementation of relevant social programmes. Such activities should be perhaps more in line with the public interest concern prevailing in many higher education institutions.

19. What will be the precise commitment or responsibility in terms of governmental policy with regard to activities of this kind, which are initiated and conducted by the institutions themselves? The answer will certainly be different among countries, in view of the very different relationships between government and the institutions which prevail in individual countries. One point to be underlined, however, is the need to provide more flexibility in the regulations governing academic staff employment, if they are to participate actively in such innovative projects.

20. A broader issue certainly is whether such internal initiatives, even if they are welcomed, may be sufficient to ensure appropriate communication with the world of work and the community generally, particularly the private sector. Strengthening the links between higher education and the world of work is, of course, a much debated issue: many could argue that it would be selling higher education to private interests. On the other hand, it could also be argued that the present system is not properly balanced in that it overwhelmingly represents the needs and ideas of the academic professions; that higher education, or at least the university sector, has largely become a self-justifying enterprise. In

some countries there would certainly be confidence in a natural evolution which would lead to appropriate co-operation and ensure sufficient incentives for change. In other countries, it may be felt that an organised framework is needed.

21. In which areas would such an organised partnership be more fruitful? The following might deserve special consideration:

(i) Information, guidance and marketing: this is an area where increased communication at central or local level would be highly beneficial. Some countries may place emphasis on information given to students at the moment they undertake studies, others on the information to employers, marketing of graduates, organisation of work experience schemes, particularly to encourage employers to recruit graduates in non-traditional positions.

(ii) Co-operation in research: this not only in applied research, which responds to relatively short-term interests, but above all for strategic research(1), which should lead to industrial innovation and expansion. A reform of post-graduate studies could also be considered, under the joint partnership of higher education and industry.

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(1) See "The state of research in higher education". Report by the Secretariat.

THEME 3 : NEW PATTERNS OF AUTHORITY IN HIGHER EDUCATION(1)

THE CONTEXT

1. Higher education institutions in OECD countries have had to face a formidable array of new pressures in recent decades. These have been outlined in the Overview above. Among these the pressure of numbers has perhaps been the one which presented the greatest challenge to the system as a whole and to individual institutions.

2. This relationship between quantitative development and governance is certainly a complex one. In very simplified terms two major impacts of expansion on patterns of authority in higher education may be identified. First, growth has stimulated public attention. Soaring costs, the large number of people affected, and the real or perceived importance of higher education for economic and social development have incited demands for public accountability. Second, growing size will create problems of co-ordination in any organisation.

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(1) For a more detailed review on trends see "New Patterns of Authority in Higher Education". Background Report by the Secretariat.

3. It should also be remembered, however, that the pressures on higher education are to a signifiant extent but examples of broader trends in Member countries. Details aside, demands for participation and autonomy have been voiced in practically all countries and in respect to a large number of public activities. Interestingly, it seems as if the policy sector of higher education often pioneered developments which were later prevalent in the rest of society.

4. The traditional patterns of authority in higher education varied greatly between Member countries as did their responses to the new pressures. Perhaps the briefest way to describe policy developments is in terms of convergence. Such convergence has occurred in two major respects. First, in all OECD countries higher education now occupies a more prominent role on the political agenda than before the period of explosive growth in the 1950s and 1960s. Central and other administrative staff has increased considerably. Specialised bodies for co-ordination and policy analysis have been created. No doubt higher education systems still vary greatly with respect to centralisation and politicisation, but the trend towards central co-ordination has been pervasive, even in countries where the autonomy accorded to higher education institutions has been greatest, such as the United Kingdom and the United States. In some of the most centralised systems - good examples are France and Sweden - attempts have been undertaken to decentralise decision-making power in higher education.

The second major trend has been towards participative forms of governance in higher education. Here the changes have been by far the most dramatic in Western Europe. The coming of mass higher education in combination with student unrest caused the waning of the traditional "professors' university". Its autocratic structure of authority was particularly ill-suited to mass institutions. It had to give way to some kind of "group university". Comprehensive reforms in most countries of Western Europe created very complex decision-making structures with "graded" voting rights for all groups within the institutions. Changes were much less dramatic in non-European systems. Here the trend towards more participatory governance has not taken the form of elaborate systems of formal representation but, rather, has manifested itself as more intensified consultation on an ad hoc basis. Still, it seems safe to say that the trend has been present in all Member countries.

THE CENTRAL CHALLENGE: NEW PARTNERSHIPS

6. As in other policy sectors, governments in OECD countries have experienced the reality that policy formulation with respect to higher eduction is one thing, implementation often quite another. It may even be argued that policy implementation in the area of higher education is particularly difficult, due inter alia to its susceptibility to market forces (both on the input side - student demand - and the output side - the labour market), and its peculiar organisational characteristics which will be discussed below. As elaborate systems of representation and participation have been created at the regional and

institutional levels in many countries, problems of implementation may even have been aggravated, since governments now have to cope with a much larger number of legitimised interest groups. It has, for example, been reported from a number of countries that, contrary to the expectations of many reformers, "external" representatives who were supposed to act as instruments of government vis-à-vis institutions have, instead, taken on the role as eloquent defenders of their institutions.

7. Governments cannot resolve the major policy issues in the area of higher education governance without reference to basic value positions concerning the nature of higher education as a social institution and the legitimacy of various interest groups in determining its future. In this, due account should be taken by policy makers of the experience of the 1960s and 1970s. Above all, it is important for them to realise that there are difficult trade-offs to be made between democracy and efficiency, and that there are important problems of implementing reforms in higher education. There is no simple way around the basic dilemma between the urge to reform by way of central policy-making and the wish for an autonomous and pluralist system of higher education. It is a question of finding the right balance.

8. It is suggested, therefore, that the Conference could provide an opportune moment for taking stock of the experience of the last fifteen years or so with various forms of participatory governance of institutions of higher education in Member countries. Of particular interest are attempts at central and regional co-ordination - how they have operated, with what effects, at what cost and what they promise for the future: of special interest is

how, within the context of legal and constitutional realities, a new division of responsibilities between governments and institutions could be defined. Against this background, and in the context of the specific substantive and political issues which have been identified for the Conference, the main concern of this discussion would thus be with the need to develop new partnerships in higher education so that institutions can be both encouraged and supported in their moving forward into new directions, in response to changing needs and functions.

9. To facilitate this discussion, four broad issues are proposed below within which specific lines of development can be considered. These are:

I. The special position of higher education within the social and ideological polity.

II. Changes in the connotation and application of the concept of autonomy.

III. Changes in participation and the decision-making process.

IV. The perennial dilemma between democracy and efficiency.

THE ISSUES

I. DOES HIGHER EDUCATION DESERVE SPECIAL TREATMENT?

10. The debate surrounding problems of governance in higher education has pointed to its eminently political and ideological nature. Policy positions are often linked with general views on the proper

role of government in society. Interestingly, however, it is argued quite frequently that higher education is special in the sense that it deserves special arrangements in terms of governance than those which apply to most other policy sectors. In what respects is higher education regarded as unique?

11. Most arguments in this vein seem to be elaborations of two basic observations. First, the very nature of academic work is said to necessitate special considerations with respect to governance. The primary tasks of the academic enterprise have been the creation and dissemination of knowledge, often highly abstract and esoteric. The discipline was the basic organisational unit in such a setting. The disciplines divide the academic profession into tens or even hundreds of sub-professions with very little in common. Disciplines create criss-crossing patterns of communication and authority which defy the formal organisation of the institution and the system. To those familiar with organisation theory, this line of argument will be recognised from analyses of professional or "organic" organisations.

12. Secondly, it is argued that higher education should perform a special role in cultural development. The independent criticism provided by academics has been a prominent feature of Western civilisation. And it is equally vital today to the health of pluralist democracy. Society needs disinterested social criticism inspired primarily by a search for truth, even if the boundaries between objective views and political ideology are not always easy to delineate. Only strong and independent institutions can be expected to perform this function effectively.

13. The counter-arguments in response to the view that higher education is so special that it deserves special treatment in terms of governance are many and varied. In brief they may be summarised as follows: while it may well be true that higher education and research have unique features, this is not sufficient to motivate exception from ordinary political accountability. Academics are of course professionals, and as all professionals they should have an important say in matters related to their specialism. But in matters such as allocation of resources between disciplines and institutions, content of vocational training, etc., they are no better equipped than others to decide. Here the broad interests of pluralist democracy should participate in decision-making. And while academics certainly must be accorded an important role in cultural development, this role is for every citizen to play and not just for a priviledged elite. Besides, there are many historical examples when academics, instead of being social critics, have rather sided with the Establishment of the day.

14. Furthermore, the debate on this question is becoming more pronounced as there are different treatments according to the type of institution of higher education. For example, universities are said to have a separate global or national assignment where the main purpose is the production of knowledge on a universal scale. Their true environment is the international scientific one for which their production is intended and to whose judgement they defer; for example, university research workers are answerable only to their peers and therefore deserve special treatment.

15. On the other hand, other post-secondary institutions have a special assignment to fit in with local and regional economic and professional realities. Such institutions can hardly feel free from such an environment on which they depend for their resources. This is to perpetuate the system set up in the 1960s - a diversification of the aims and functions of institutions of higher education at the various levels. Polytechnics in the United Kingdom, Community and Regional Colleges in the United States, Colleges of Advanced Education in Australia, Regional Colleges in Norway and many others are regional in nature, mainly because of the vocational training they provide. They meet local economic requirements, provide recurrent education and carry out applied research for the benefit of the local community.

16. Furthermore, special treatment means also more prestige. As TUAC notes, new types of courses for non-traditional students, particularly short courses and part-time courses, carry low prestige within higher education. The same could be said about fundamental research versus applied or problem-oriented research.

II. WHAT DOES AUTONOMY MEAN TODAY?

17. A policy discussion on higher education governance cannot start without trying to be clear about the very concept of autonomy. At the outset, it is necessary to state clearly:

(i) the various meanings underlining the concept of autonomy;

(ii) who is to enjoy autonomy;

(iii) in relation to whom it is to be enjoyed;

(iv) in what substantial areas;

(v) the extent of autonomy in specific areas.

18. On the first point, as the contribution from Spain suggests, the idea of parity of control on the part of teachers and students that arose at the beginning of the century in the Argentine University of Cordoba and which largely inspires the current Latin-American concepts of university autonomy, has little to do with the form of governance of any of the American universities of more solid tradition of autonomy. Furthermore, the meaning of autonomy changes according to whether it concerns privately-owned or public universities. Let us say at this stage that "autonomy implies a power to make independent decisions, the extent of which may vary considerably from one country to another"(1).

19. On the second point, there is often considerable confusion: it makes a world of difference if the concept applies to the institution or alternatively only to full professors. With respect to the third question, it seems reasonable to focus on the relationship between the State or central government and institutions. However, one should be aware of the importance of other relationships. For hundreds of years, the church was the important counterpart to universities in many OECD countries. Today, regional

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(1) See contribution from Spain.

and local governments, private corporations, professions, unions and other interest groups may well severely impair the autonomy of institutions. Fourthly, it should be noted that some aspects of the activities of higher education institutions are more important than others from the viewpoint of autonomy. In the normative literature on university autonomy, lists of such key areas are often provided; the following are frequently cited: finance, curricula and examinations, staff selection and employment conditions, student admission and research(1).

20. Finally, the degree of autonomy with respect to specific substantial areas can and does vary immensely between systems. Nowhere is the autonomy of institutions vis-à-vis the environment "total". It also varies in relation to different institutions themselves according to the aims and functions which are assigned to them.

21. Higher education institutions, particularly the universities, have now to respond to new social, economic and cultural pressures and the specific needs of society and of the communities in which they are located. This means that the more higher education turns toward the society, the more it will be affected itself by the decisions, inequalities and conflicts which, in varying degrees, disturb the society as a whole. Therefore, the traditional concept of autonomy - to develop a free zone, safe from the currents of opinion, a neutral territory with total freedom of expression of research - needs

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(1) See contribution from Spain which relates these questions to societal objectives.

to be reviewed. Within the concept of autonomy, the accent is no longer so much on independence as responsibility; autonomy should be increasingly seen as the link which ensures that information is transmitted freely, and as a way of "negotiating" on an equal footing, the planning of teaching and research activities. As the Trade Union Advisory Committee noted(1), "the concept of the autonomy of the Universities has to be developed in a way which extends the possibilities to interact with the community as a whole, in a democratic way". What is at stake, therefore, is not the protection and preservation of the traditional autonomy, but its transformation in order to bring about more objectivity and knowledge to the social system.

22. Would not such a change imply that the previous legal concept of autonomy - which was defensive in nature - should evolve into one according to which institutions should be prepared to mobilise their resources, for example to respond to regional needs for professional training or to contract research with the public or private bodies? But the discussions at the 1980 CERI Conference on Higher Education and the Community: New Partnerships and Interaction, showed the extent to which higher education institutions will be unable to serve society unless they fully exercise their critical function, retain their objectivity and assert their professional authority to carry out analyses on a scientific basis. In other words, must not the institutions of higher education be guaranteed the necessary independence and strength of position if they are to serve the community in the fullest sense?

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(1) Views of TUAC for the International Conference on "Higher Education and the Community: New Partnerships and Interaction", OECD, February 1980.

III. PARTICIPATION AND THE DECISION-MAKING PROCESS

23. Most of the boards that govern universities in the OECD countries have members who are elected or nominated and who represent the academic and non-academic community. Both BIAC and TUAC are in favour of a good balance between representatives of teaching staff and students, and unions, industries and local/regional authorities.

24. Problems arise from both of these categories. For the first one, it is often claimed that participation of the various groups of the university has led to an institutional paralysis, for a variety of reasons: the influence of professors who are mainly concerned with the welfare of their own departments; the lack of interest of some faculty, students and service personnel; the use of the decision-making body for radicalisation and politicisation of the university; the difficulty in translating fundamental policy decisions into resource allocation decisions, etc.

25. As far as the "external representatives" are concerned, they are generally confined, in certain countries, to committees whose responsibility is in the area of finance and administration and they have no say in curricular matters, research programmes or the appointment of the staff. Furthermore, they are usually local figures coming from business firms, local administration or the professions - all of them most probably graduates of higher education. Paradoxically, their presence on various university boards may well help to strengthen the elitist

aspects of higher education. In particular, the role of the professions in the control they exercise over certain branches of higher education has recently been given prominence in a number of countries(1). This being said, special attention should be paid - and one which is too often ignored - to the universities (e.g. in the United States) where "laymen" are among the external representatives.

26. Which internal and external constituencies should be represented in the decision-making process and why? In which fields, e.g management, curriculum review and development, programme planning, academic standards, teaching evaluation? How could the interests of the various groups of society, e.g. enterprises, trade unions, local/regional authorities, be taken into account by new forms of participation and negociation? Should participation of these external representatives be extended - and how far - to curricula and research policy?

27. Research provides a good example of such problems. The establishment of research priorities is not an accustomed task for higher educational institutions and whilst it seems to imply a valuable concern for a measure of self-determination, there is the undoubted problem of how it is to be done. It may, for example, require a strengthening of the central authority at the expense of traditional departments or institutes. It will be necessary to decide whether

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(1) See contribution from Norway.

any institutional research committee should have the responsibility for allocating the research funds available to the institution (whether or not these have been decoupled previously) and if so on what criteria. If there are to be procedures of this kind, then it will need to be considered whether a single institution possesses the breadth of expertise to make objective judgements of scientific excellence across all the fields of science. There is the question of whether such a research committee should have the right to approve all applications by faculty members to outside sources of research funds: a considerable erosion of traditional independence. Whilst difficult issues of this nature are inevitably posed, the desirability of institutional planning of this kind is increasingly being debated.

28. Finally, with respect to participation in higher education, it seems useful to policy discussions to bear in mind the important distinction between formal and informal participation. The real influence of various interest groups can, of course, not always be gauged from formal positions. This does not, however, warrant the conclusion that the mode of participation adopted is unimportant; on the contrary, it may well make the difference between reasonably efficient decision-making and deadlock.

IV. TRADE-OFF BETWEEN DEMOCRACY AND EFFICIENCY?

29. All parties should recognise that in the end any model of governance must represent a reasonable trade-off between democracy and efficiency. Both aspects are important, and not necessarily incompatible, if it is accepted that the issue ultimately is settled with recourse to basic value positions. But this should not prevent discussion of the

specific nature of that trade-off in higher education or from analysing the current situation in different systems and institutions.

30. It should be possible to agree that, irrespective of their specific contents, teaching and research are the primary tasks of higher education, its raison d'être as a separate social institution. Other activities are secondary in the sense that their existence must be judged in terms of their contribution to the creation of a supportive environment for teaching and research.

31. A problem which is certainly not unknown in other types of organisations but seems to be particularly pronounced in higher education, concerns the possibilities of measuring whether the primary tasks are fulfilled or not. While recognising the need for criteria to judge performance, various efforts to design productivity functions in higher education illustrate the complexity of the problem; results are not encouraging. This topic cannot be elaborated in any detail, but it carries at least one implication of considerable importance: while, for example, in a car factory it should be possible - although very difficult - to establish some kind of systematic relationship between "democracy" and "efficiency", this must be judged to be virtually impossible in higher education. Here one has to settle for very crude observations, almost exclusively related to "inputs" instead of "outputs".

32. Two additional observations need to be made here. They both relate to the fears widely held in some institutions of higher eduction in OECD countries, that "democracy" has reached a limit where reasonable "efficiency" may be threatened. First, in several countries, and in particular those with the most "democratic" models of governance, a growing opinion argues that governance is so time-consuming that it "crowds out" (to use a popular term) teaching and research. Even staunch proponents of participatory governance are increasingly beginning to wonder whether the price is worth paying. In many institutions priority is now assigned to an intensive search for time-saving mechanisms. It is felt that the large number of endless committee meetings are wasting everybody's time. Perhaps it is time to end the control of everybody by everybody else?

33. Second, there is evidence from some countries that the number of administrators and service workers has grown much faster than teachers or researchers, or students for that matter, during the 1970s. This can of course be interpreted in a number of ways. Some institutions were probably "under-administered" after the explosive growth in student numbers during the 1960s. And much which passes for "bureaucratisation" was the inevitable consequence of growing size and complexity. Somewhat paradoxically, decentralisation has obviously also caused some of the "bureaucratisation" in those countries which have attempted it; this observation has convincingly been made about both France and Sweden.

34. However, there is also the ominous possibility that democracy breeds bureaucracy. Apart from being time-consuming for teachers and researchers (and all others involved), participatory decision-making is cumbersome in a number of other ways. The result is an "inefficiency" which must be compensated. Decisions must often be made quickly and authoritatively. If the representative bodies cannot perform, somebody else must. Ample evidence from some systems of higher education indicates that a combination of bureaucrats and activist professors are dominant, while representative organs are developing into decorations.

35. These are issues on which clear-cut decisions and recommendations cannot be easily arrived at. Discussion of them, however, within an international context, may be particularly rewarding for all those concerned, both with policies and with the day-to-day lives of institutions of higher education.

THEME 4: FINANCING AND REDEPLOYMENT OF RESOURCES

THE CONTEXT

1. The great expansion of higher education expenditure during the 1960s and early 1970s had its roots in two widely held beliefs. One was that higher education helped to promote social equality by acting as a vehicle of social mobility. The second was that higher education helped to promote economic growth and social development by making the labour force more productive. This led to what in some respects was a "laissez faire" attitude to planning higher education provision. Places were made available mainly on the basis of expressed demand for them by students in the belief that by acceding to this demand, equality would be promoted and a more productive and wealthier economy would result. The precise mechanisms by which these general beliefs were translated into plans for higher education and then into political action differ between different OECD countries but the general relationship was widespread throughout the OECD area.

2. Basing provision on student demand worked reasonably well as long as student numbers were growing. Although the pattern of higher education may not always have achieved optimal efficiency, the availability of incremental resources each year meant that most claimants were able to be at least partly satisfied.

3. However, by 1980, most OECD countries had experienced several years of stagnation or even contraction, in public expenditure on higher

education(1). Certainly such a trend is to be linked with the general economic situation and the pressures on public expenditure. However a slowdown in the growth of demand for higher education has also to be noted with, in addition, the prospect for the 1980s in most countries being for very slow growth in demand at best. Both population trends and apparent demands from students seem to point in this direction. Any policy of basing overall resource provision simply on crude estimates of student numbers is thus of doubtful viability. For, if the level of public resources allocated to higher education continues to be linked to the level of enrolments of young people, then higher education may well no longer be able to fulfil some of its fundamental missions, such as research, nor be in a position to respond to new demands, such as more extensive adult education.

4. With respect to financing, therefore, it seems that higher education has now reached a turning point and that new ways will have to be sought to facilitate a shift of emphasis in its activities and to stimulate its quality and vitality. Equally, it will be necessary to re-consider mechanisms of financing and how they affect the distribution of social demand.

THE ISSUES

5. Discussion under this heading could focus around the following issues:

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(1) "Higher Education Expenditure in OECD Countries". Background Report by the Secretariat.

- Principles for planning the development of higher education
- The financing of higher education in the 1980s
- The preservation of vitality in higher education and problems of staff development.

I. PRINCIPLES FOR PLANNING THE DEVELOPMENT OF HIGHER EDUCATION

6. The most fundamental policy planning problem for higher education in the 1980s is to decide on basic principles to replace or supplement that of acceding to student demand. It seems essential therefore to review possible criteria and to suggest which are the most appropriate in the likely socio-economic conditions of the 1980s. Already during the 1970s, many countries have begun to impose a "numerus clausus" on all or some of their higher education faculties, but this has often been inspired by crude attempts at limiting public expenditure rather than a coherent plan for the development of higher education.

7. The new criteria for the long-term development of higher education must be worked out in the light of the following considerations:

(a) The belief that higher education contains the key to either social equality or to economic growth is now widely disputed. The research evidence is at best contradictory and needs clarifying.

(b) Current political priorities in many OECD countries seem to give a lower place to both economic growth and social equality than was the case in the 1960s. Some consideration needs to be given to the implications of this for higher education and also to the possibility of a revival of one or both of these aims as a high political priority.

(c) Many of the earlier planning criteria treated higher education as if it were a homogeneous linear activity. This is no longer valid - if it ever was. Higher education serves many functions for many people.

8. If social demand, particularly the demand from young people, can no longer be considered as the single or main criterion for planning, then others need to be considered for determining the appropriate provision of public resources to higher education. Such resources being limited, it might be useful to think in terms of priorities, though countries may formulate their public priorities in different ways. Possibly the following policy choices could be considered:

(a) the balance between research and teaching;

(b) the balance between higher education for young people and the further education of adults;

(c) emphasis on responding to social demand or on preserving excellence;

(d) the relative importance to be given to the vocational dimension of higher education;

(e) the concentration of resources on selected sectors or institutions or spreading them more widely?

II. FINANCING OF HIGHER EDUCATION IN THE 1980s

9. In a period of financial stringency, a sensible starting point is to ask what gains can be made in the use of the resources actually available to institutions of higher education through more effective management. The question itself is controversial since resources have been declining while the number of enrolments has been continuously rising for several years and since, by 1975, the level of resources was already considered insufficient. The experience of Denmark(1), however, shows that reform of financing and planning methods can be fruitful. Traditional financing methods did not allow for an analysis of expenditures by categories and their actual utilisation, while a method based on the participation of institutions and co-operation between them should provide for better management. The activities under the IMHE Programme show, in addition, both the interest and the capacity of higher education institutions for better management of their resources(2).

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(1) See contribution from Denmark.

(2) Programme on Institutional Management in Higher Education, "Ten Years of Service to Universities", OECD, 1980.

10. Secondly, what is sought is how to facilitate the redeployment of public resources within institutions, between similar or comparable institutions, as well as between the various sectors of higher education. This also is an objective of the Danish reform. There is indeed a distance between the design of policies and the choice of priorities by governments (as discussed in I above) and their actual implementation. Even if basic principles can be established, a fundamental problem for governments and the institutions themselves will remain how to decide upon the criteria against which the viability of their activities can be evaluated. Given the range of functions, this is not easy. Student demand and costs are obvious indicators. However, other criteria are also relevant. For example a nigh cost activity not popular with students might make claim for increased resources on the basis, for example, of research output, or institutions might put forward the successful entry into working life of their graduates. In the United States, over the seventies, many institutions were obliged to undertake such analyses and to develop new methods for evaluating the relative desirability of alternative uses of available resources.

11. A third question is whether private sources of financing should be sought. This issue is not very relevant to countries such as Japan or the United States where, traditionally, private higher education has an important place. In Europe, however, higher education is essentially financed on public funds and the question of private funding is, in addition, a very sensitive issue in those countries where higher education is considered as a public service. At this turning point in the history of higher education,

however, some new paths have to be followed which, in terms of financing, refers both to the internal redeployment of resources and to finding different sources of finance. One possibility would be the development of a private higher education sector which, together with a system of loans or grants would allow students a wider choice and render higher education institutions more competitive. Large enterprises could also create their own universities, an existing example being Toyota University in Japan. Another source of private finance could take the form of contributions from firms to public institutions for the further training of their staff, as happens in Germany. Although it has been shown that already a substantial part of the real costs of higher education are met from private sources(1), there may be a case for letting students contribute a larger share of the costs of their education, be it in the form of fees, various forms of loans, graduate tax, etc. The possible effects of schemes based on this principle would require detailed assessment of implications.

12. Decisions on appropriate financing mechanisms for different activities of higher education institutions should also be considered. New forms of aid for young part-time students could be envisaged; adult students could be at least partially financed by social transfers schemes, such as paid educational leave, this in turn being partly financed by employers. Another possibility would be to obtain more finance from employers who take on highly specialised post-graduates or who benefit from applied research.

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(1) "Higher Education Expenditure in OECD Countries". Background report by the Secretariat.

13. The financing of university research deserves special consideration. Financing based on the number of enrolments may no longer be appropriate in the 1980s. If this criterion were to be maintained, the resources which universities allocate to research within their normal operational budget will decrease, at least in those sectors where the number of students decline. Under these conditions, one question is whether research and teaching can be separated in planning the resource allocation among and within institutions of higher education? Such a policy is being considered in a number of countries, and already adopted in Sweden, in order to stabilise the funding of research. There are, however, considerable risks in the implementation of such a policy which should be carefully examined. Another question is whether governments should make special funds available for the "refinancing" or the "recapitalisation" of university research and for the replacement of obsolete equipment? Better efficiency in the use of resources could perhaps be achieved if research policies of governments and those of institutions were better co-ordinated, but the problem of course is how to ensure such an effective co-ordination?

14. The use of external project funds, in particular of private finance, for university research is not a new phenomenon. In some countries, however, growing dependence on this type of finance is causing concern for the future of fundamental research as the trend is to shift resources to short-term and applied research. One problem is how to develop, in co-operation with industry, a strategic research aimed at the development of technological and industrial innovation. Academic institutions could undoubtedly make a major contribution in this

type of activity which represents a middle ground between research of purely scientific interest on the one hand, and research of no more than short-term industrial interest on the other(1).

III. ENCOURAGING VITALITY IN HIGHER EDUCATION AND PROBLEMS OF STAFF DEVELOPMENT

15. Whatever changes take place in methods of finance and even if there are substantial increases in demand from new groups of students, slow growth seems to be the most optimistic prospect for the 1980s. This will result in several planning problems at the institutional and system level.

16. The emergence of surplus capacity in higher education will have profound effects. Competition between institutions will become severe. Attempts by institutions and vested interests within them to maintain their position may well be dysfunctional from the point of view of the system as a whole and often even from the viewpoint of their own long-term interests. In particular innovation of all kinds is likely to suffer.

17. However, the most intractable planning problems are likely to arise from the rigidities of staff structures. Even if new kinds of student can be attracted, flexibility in staffing will be essential if institutions are to be able to adapt to meet the needs of new clientele.

18. A major concern in this respect will be to develop new attitudes among teaching staff at all levels and to enhance their morale and enthusiasm. Lack of career prospects, limited opportunities to undertake research work, the need to take up activities which do not now carry prestige comparable

(1) See "The Reform of studies and the Place of Research in Higher Education". Background report by the Secretariat.

to that of their traditional tasks, is leading to discouragement and tension in the academic world. Where a major objective is to preserve the vitality of the staff and their capacity to respond to new needs, it is necessary to demonstrate the positive aspects of the shift in priorities.

19. In particular, it will be necessary to offer wider possibilities for career development and enrichment. The further education of adults faced with new functions and technologies and the development of closer links with the world of work and the local community could offer such opportunities. A certain amount of additional training may be necessary for this to be realised. In the field of research, the ageing of teaching staff and the lack of renewal are threatening the intellectual vitality of many higher education institutions. Measures have already been taken in some countries to encourage young people to follow an academic career, as in Germany with the Heisenberg programme. It should be noted that higher education is not alone in facing a situation of limited prospects for career promotion and mobility of its staff. But higher education should not only look at ways in which the other sectors of the economy have coped with this type of problem; it should also seek ways and means of co-operation with industry and the services likely to bring a positive and mutually beneficial response to such constraints on career opportunities and mobility.

20. In some countries at least, it would seem that the central problem is that of introducing greater flexibility into staff recruitment and employment at a time when the current trend is, conversely, towards greater employment protection. It would be desirable

to develop a greater degree of permeability between institutions and between the various types of higher education, but also between higher education and the different sectors of the economy, in order to allow for a diversification of career opportunities.

21. To a large extent, however, such developments will be determined by decisions affecting the total level of resources made available to higher education and their distribution between its various sectors, functions, institutions and fields of study. It seems essential that in taking such decisions, due consideration be given to the long-term objectives of higher education, in order not to destroy its capacity to respond to changing needs and to fulfil its fundamental functions in society.

LIST OF MAIN DOCUMENTS

A. Background Reports by the Secretariat

Access to Higher Education

Employment Prospects for Higher Education Graduates

Reform of Studies and the State of Research in Higher Education

New Patterns of Authority in Higher Education

Higher Education Expenditure in OECD Countries.

B. National Contributions (1)

AUSTRALIA SME/ET/81.02/23

Mature Age Students in Australia

CANADA (2) SME/ET/81.02/04

1. Access to Higher Education ; New Groups and New Patterns of Attendance - Province of Alberta, Department of Advanced Education and Manpower.

2. New Groups and New Patterns of Attendance : Government - Funded Access Programmes for Non-Traditional Students - Province of Manitoba, Department of Education.

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(1) The list includes all contributions submitted to the OECD Secretariat up to 15th August 1981. All national contributions are circulated in the original language only.

(2) For information and reference, Canadian authorities have prepared in addition two other documents related to this Conference : Aspects of Post-Secondary Education in Canada and a Summary Report on the Work of the Federal-Provincial Task Force on Student Assistance.

3. The Complementary Role of University and Non-University Post-Secondary Institutions.
Province of Ontario, Ministry of Colleges and Universities.

4. La politique d'accessibilité à l'université : Elément d'évaluation et de révision -
Gouvernement du Québec,
Ministère de l'Education.

DENMARK SME/ET/81.02/05

Adjusting Post-Secondary Education to Decreasing Financial Resources

FINLAND SME/ET/81.02/22

Integration of Secondary and Higher Education

GERMANY SME/ET/81.02/01

1. Access to Higher Education

2. Qualitative and Employment-Oriented Reforms

IRELAND SME/ET/81.02/10

Changing Relationship between Higher Education and Working Life

ITALY SME/ET/81.02/12

Access to Higher Education in Italy

JAPAN SME/ET/81.02/21

Higher Education Policy in Japan

NETHERLANDS SME/ET/81.02/15

Governance and Decision-Making in Higher Education

NORWAY SME/ET/81.02/14

1. Education, Qualifications and Professionalism

2. Women in Higher Education

SPAIN SME/ET/81.02/06

Autonomy and Social Control in Higher Education

SWEDEN SME/ET/81.02/18

Humanities and Social Sciences in the 1980s

SWITZERLAND SME/ET/81.02/19

1. Problèmes et possibilités d'action de la politique universitaire
2. Démographie et système d'éducation

UNITED KINGDOM SME/ET/81.02/17

The Changing Relationship between Higher Education and Working Life

Business and Industry Advisory Committee (BIAC)

BIAC Contribution to the second meeting of the Advisory Group.

Trade Union Advisory Commission (TUAC)

TUAC Contribution to the second meeting of the Advisory Group.

C. Other Relevant Documents

Employment Prospects for Higher Education Graduates : the Case of Japan SME/ET/81.20

Reform of Higher Education Studies in the United Kingdom SME/ET/81.09

Development of Higher Eduction in OECD countries since 1965 SME/ET/79.21

Reform of Higher Education Studies in Denmark SME/ET/81.05

Labour Management Programme : Post-Secondary Education and the Impact of Labour Market Prospects ; Report on a Joint Meeting of Management and Trade Union Experts.